



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

S/049/052

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

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August 30, 2005

Mr. Ken Nielson
Nielson Construction Company
P.O. Box 620
Huntington, UT 84528

RECEIVED

AUG 31 2005

DIV OF OIL GAS & MINING

RE: Mineral Lease Application ML 49955-LS

Dear Mr. Nielson:

Thank you for coming in to my office yesterday to clarify the location of the proposed mining project under MLA 49955-LS. The revised map that you submitted is acceptable providing that the actual corners of the surveyed project site are staked upon the ground.

I will now submit your mineral lease application to the Director for approval, but you may not yet commence any mining of the lands until you have a fully executed mineral lease in hand and have received written approval from SITLA to your proposed plan of operations.

I have not yet received a completed mining and reclamation plan from you. The mining and reclamation plans that you have submitted (dated 6/8/05 and 6/6/05) contain several blank lines that leave confusion as to exactly how the project will unfold. I would also like a more detailed discussion of how the mined ore will be handled and accounted for with regard to stockpiles, product inventories and attachment of royalties.

Please immediately send me a completed mining and reclamation plan for the proposed limestone project. Also, please send me a copy of your DOGM mining permit application and your DOGM Surety Bond with corrected legal descriptions to coincide with the lands described in your mineral lease application.

Do not commence any operations upon the lands until you have received written approval from SITLA to your mining and reclamation plan. Thank you for your cooperation.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Lynn Kunzler

Utah!